INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees and
Independent Citizens' Bond Oversight
  Committee for Measure C
Marin Community College District
Novato, California

We have performed the procedures enumerated in Attachment II, which were agreed to by Marin Community College District (the "District") and the Independent Citizens' Bond Oversight Committee for Measure C (the "Committee"), solely to assist the Committee in evaluating District management's assertions concerning disbursements of bond funds as of December 31, 2005. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District and the Committee. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment II either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and conclusions reached as a result of these procedures are identified in Attachment II. Attachment I contains background information about the Measure C Bonds. Attachment III is the compiled Schedule of Measure C General Obligation Bonds.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed other procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Marin Community College District and the Independent Citizens' Bond Oversight Committee for Measure C and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

May 3, 2006
MARIN COMMUNITY COLLEGE DISTRICT
BACKGROUND INFORMATION

LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55% of the electorate.

MARIN COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, MEASURE C

The Marin Community College District, Marin County, California Election of 2004 General Obligation Bonds, Measure C were authorized at an election of the registered voters of the Marin Community College District held on November 2, 2004 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of $249,500,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from ad valorem property taxes. The text of the ballot language was as follows:

To repair and rehabilitate school buildings for student health and safety, qualify for State matching funds, upgrade inadequate plumbing, electrical, heating and ventilation systems, renovate restrooms, repair deteriorating roofs, repair dry rot, upgrade fire safety systems, provide needed classrooms and make other improvements to school sites and buildings, shall Marin Community College District issue $249.5 million of bonds at any legally authorized interest rates, with annual audits and citizens oversight?
PROCEDURES PERFORMED

Marin Community College District provided a list of all Measure C project expenditures (the "List"). An approximate total of 84 warrants were identified representing $1,885,767 in expenditures from July 1, 2005 to December 31, 2005. We performed the following procedures to the List of Measure C bond expenditures:

- Verified the mathematical accuracy of the List.

- Selected a sample of 50 expenditures totaling $1,798,833. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 60% of the total number of expenditures and 95% of the total expenditure value.

- Agreed selected expenditures to vendor invoices and cancelled warrants noting the date and amount of the expenditure, and that the funds were expended for the construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and that funds were not spent for District administrative or instructional salaries or other administrative expenses.

CONCLUSIONS

- The List was mathematically accurate.

- Each of the 50 expenditures tested represented valid Bond expenditures, and were determined to represent construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and were not spent for District administrative or instructional salaries or other administrative expenses.

- 49 of the expenditures tested were properly charged to the location indicated, and were properly coded as to the nature of the expenditure.

- One expenditure was coded to an incorrect construction project.

- Expenditures are recorded net of retention payable balances and the District did not record the retention payable as invoices were received.
Board of Trustees and
Independent Citizens' Bond Oversight
Committee for Measure C
Marin Community College District
Novato, California

We have compiled the accompanying Schedule of Measure C General Obligation Bonds for the period ended December 31, 2005 (Attachment III), in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying Schedule of Measure C General Obligation Bonds for the period ended December 31, 2005 and, accordingly, do not express an opinion or any other form of assurance on them.

Sacramento, California
May 3, 2006
MARIN COMMUNITY COLLEGE DISTRICT
SCHEDULE OF MEASURE C GENERAL OBLIGATION BONDS

Period Ended December 31, 2005

Revenues:
- Interest and investment income \(^{(1)}\) $ 647,118

Expenditures:
- Supplies 411
- Contract services 24,704
- Capital outlay \(^{(2)}\) 1,860,652

Net activity (1,238,649)

Fund balance:
- Beginning of period 74,526,789
- End of period $ 73,288,140

\(^{(1)}\) Interest and investment income is recorded as received. Interest and investment income for the period of July 1, 2005 through September 30, 2005 is reflected in the balance reported.

\(^{(2)}\) Expenditures for the period ended December 31, 2005 are recorded net of retention payables.